Kering is to transfer “the majority” of its logistics operations currently located in Switzerland to Italy. The French luxury group’s activities in Switzerland, which the company was using as its international hub, were at the core of the tax evasion case that resulted in a record fine for the luxury group.

Following a lawsuit for tax fraud in relation to the Gucci label, the group, owned by François-Henri Pinault, announced some days ago that it would pay the €1.25 billion fine to the Italian authorities, whose investigation focused on the group’s Swiss subsidiary, Luxury Goods International.

On Wednesday, the group announced before its some 800 employees from the Tessin region that “the majority of the logistics services operating in Switzerland will be regrouped at a single new logistics hub which will be located in Italy,” close to Novare, in the north of the country, according to a press release received by AFP on Thursday.

The project will be implemented progressively between now and 2022, and the number of employees in Switzerland will be halved.

“Given their quality, Kering will continue to capitalise on the assets and expertise that it has developed in Tessin, even though the group will substantially reduce their operations,” Kering said.

The current logistical structure in Switzerland, spread across 20 depots, and which manages almost the totality of stock and deliveries of the group’s label, “was saturated and therefore less and less efficient,” Kering added.

The new platform in Italy “will be sized for the future growth of the group” and “will have a larger storage capacity, reflecting the increase in volumes. It will also cater to the growing demand for interconnectivity with the principal transport platforms,” Kering concluded.

The luxury titan, owner of labels including Gucci, Yves Saint Laurent, Balenciaga and Bottega Veneta, underscored that “customer expectations are evolving, making faster deliveries and a fluid experience between all
underscored that "customer expectations are evolving, making faster deliveries and a fluid experience between all the distribution channels necessary."

The Swiss logistics platform was created in the 1990s for Florentine label Gucci, which was bought in 1999 by Kering, formerly Pinault Printemps Redoute.

At the end of 2017, the Italian judiciary conducted searches at Gucci. The Milanese exchange suspected the label and its parent company of paying taxes in Switzerland, where taxes are lower, on profits generated in Italy.

Translated by Erin Floyd